

**NORTHSHORE FAMILIES HELPING FAMILIES, INC.  
FINANCIAL STATEMENTS AND  
SUPPLEMENTAL INFORMATION  
FOR THE YEAR ENDED  
JUNE 30, 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11/25/09

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# Silva Gurtner & Abney

Certified Public Accountants & Consultants

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Northshore Families Helping Families, Inc.  
Covington, Louisiana

We have audited the accompanying statement of financial position of Northshore Families Helping Families, Inc. (a Louisiana non-profit corporation) as of June 30, 2009, and the related statements of activities, changes in net assets, cash flows and functional expenses, for the year then ended. These financial statements are the responsibility of Northshore Families Helping Families, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northshore Families Helping Families, Inc. as of June 30, 2009, and the results of its activities and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 30, 2009, on our consideration of Northshore Families Helping Families, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Our audit was made for the purpose of forming an opinion on the basic financial statements of Northshore Families Helping Families, Inc. taken as a whole. The accompanying schedule of financial assistance is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Silva Gurtner & Alney, LLC*

September 30, 2009

**NORTHSHORE FAMILIES HELPING FAMILIES, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2009**

**ASSETS**

Current assets	
Cash and cash equivalents	\$ 69,920
Accounts receivable	<u>36,469</u>
Total current assets	106,389
Property and equipment	
Furniture and equipment	13,108
Less: accumulated depreciation	<u>(9,592)</u>
Total property and equipment	3,516
Other assets	
Deposits	<u>1,700</u>
Total assets	<u><u>\$ 111,605</u></u>

**LIABILITIES AND NET ASSETS**

Current liabilities	
Accounts payable	\$ 2,875
Net assets, unrestricted	<u>108,730</u>
Total liabilities and net assets	<u><u>\$ 111,605</u></u>

The accompanying notes are an integral part of this financial statement.

**NORTHSHORE FAMILIES HELPING FAMILIES, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2009**

Revenues and other support	
Grants and contracts	\$ 303,302
Donations	5,629
Interest income	402
Other	<u>13,667</u>
Total revenues and other support	323,000
Functional expenses	
Administrative costs	2,119
Advertising	2,058
Contract labor	280
Depreciation	1,325
Dues and subscriptions	406
Insurance	11,416
Occupancy	16,974
Other	8,367
Postage	1,395
Printing	38
Professional services	8,300
Rental equipment	4,092
Repairs and maintenance	1,055
Salaries and taxes	229,019
Seminars and education	12,968
Stipend	7,894
Supplies	8,223
Telephone and communications	9,933
Travel	7,953
Utilities	<u>4,709</u>
Total functional expenses	<u>338,524</u>
Changes in net assets	<u><u>\$ (15,524)</u></u>

The accompanying notes are an integral part of this financial statement.

**NORTHSHORE FAMILIES HELPING FAMILIES, INC.**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**JUNE 30, 2009**

Net assets, beginning of year	\$ 124,254
Decrease in net assets	<u>(15,524)</u>
Net assets, end of year	<u><u>\$ 108,730</u></u>

The accompanying notes are an integral part of this financial statement.

**NORTHSHORE FAMILIES HELPING FAMILIES, INC.**  
**STATEMENT OF CASH FLOWS**  
**JUNE 30, 2009**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Changes in net assets	\$ (15,524)
Adjustments to reconcile changes in net assets to net cash used in operating activities:	
Depreciation	1,325
Change in operating assets:	
Accounts receivable	(4,839)
Prepays	3,097
Change in operating liabilities:	
Accounts payable	(279)
Payroll liabilities	<u>(841)</u>
Net cash used in operating activities	<u>(17,061)</u>
 Net decrease in cash and cash equivalents	 (17,061)
 Cash and cash equivalents, beginning of year	 <u>86,981</u>
 Cash and cash equivalents, end of year	 <u><u>\$ 69,920</u></u>

The accompanying notes are an integral part of this financial statement.



NORTHSHORE FAMILIES HELPING FAMILIES, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2009

	Program Services						Other Program Services	Program Services Total	General and Admin	Total
	OHP Children Special Services	La DD Council FHF Center	La DD Council Stipend	LA Office for Citizens DD	LA DOE IDEA					
Administrative costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2,107	\$	12	\$ 2,119
Advertising	211	248	-	236	602	511	1,808		250	2,058
Contract labor	-	-	-	200	80	-	280		-	280
Depreciation	-	-	-	-	-	-	-		1,325	1,325
Dues and subscriptions	83	83	-	83	157	-	406		-	406
Insurance	1,384	2,620	-	2,620	1,384	484	8,492		2,924	11,416
Occupancy	-	6,206	-	6,018	400	-	12,624		4,350	16,974
Other	437	1,827	-	898	(58)	961	4,065		4,302	8,367
Postage	93	395	-	93	193	305	1,079		316	1,395
Printing	-	-	-	-	-	-	-		38	38
Professional services	875	2,625	-	1,780	875	-	6,075		2,225	8,300
Rental equipment	450	1,020	-	895	617	-	2,982		1,110	4,092
Repairs and maintenance	127	200	-	200	127	-	654		401	1,055
Salaries and taxes	19,635	34,187	-	46,893	61,249	35,169	197,133		31,886	229,019
Seminars and education	766	1,665	-	762	5,288	3,413	11,894		1,074	12,968
Stipend	-	63	3,438	63	-	4,330	7,894		-	7,894
Supplies	787	1,759	-	1,745	1,500	779	6,570		1,653	8,223
Telephone and communications	1,701	2,309	-	2,236	1,518	-	7,764		2,169	9,933
Travel	189	655	-	190	2,569	3,387	6,790		1,163	7,953
Utilities	-	1,669	-	1,561	501	-	3,731		978	4,709
	\$ 26,738	\$ 57,531	\$ 3,438	\$ 66,293	\$ 76,802	\$ 51,446	\$ 282,348	\$	\$ 56,176	\$ 338,524

The accompanying notes are an integral part of this statement.

**NORTHSHORE FAMILIES HELPING FAMILIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Organization

Northshore Families Helping Families, Inc. (the "Organization") was incorporated on October 6, 1992. The Organization is a non-profit corporation organized to provide informational support and educational services to area families who have family members who are handicapped or have developmental disabilities. The primary sources of revenue are from contracts for services provided from the State of Louisiana.

Donated Assets and Services

The Organization records non-cash donations as contributions at their estimated fair value at the date of donation. Significant portions of the Organization's functions are conducted by unpaid officers, Board members, and volunteers. The value of these contributed services is not reflected in the accompanying financial statements as they do not create nonfinancial assets nor are they specialized services as described in SFAS No. 116.

The Organization recognizes donated services, if significant in amount, that create, or enhance non-financial assets or that require specialized skills that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Property and Equipment

Property and equipment are recorded at cost. Acquisitions of property and equipment are made with unrestricted assets. Depreciation is provided over the estimated useful lives of the respective assets using the straight-line basis over a five to seven year period. Donations of property and equipment are recorded at estimated fair market value on the date of donation. These assets are recorded as unrestricted net assets unless the donor imposes a restriction. Additions, improvements, or other capital outlays that significantly extend the useful life of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred.

Income Taxes

The Organization is a not-for-profit corporation that is exempt from both federal and Louisiana income taxes under Section 501(c)(3) of the Internal Revenue Code and R.S. 12:201 of Louisiana statutes.

Accounts Receivable

Accounts receivable consists of amounts owed from state and local private and public agencies for grants and fee for service programs. These amounts are presented at fair value and management estimates that all are collectable.

Functional Expense Allocation

Functional expenses are allocated among the various program services and general and administrative categories based on actual use or management's best estimate.

**NORTHSHORE FAMILIES HELPING FAMILIES, INC.  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets, if the restrictions expire in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Grant awards are classified as refundable advances until expended for the purposes of the grants since they are conditional promises to give.

Use of Estimates in the Preparation of Financial Statements

In preparing the Organization's financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*, and SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 116 and SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets depending on the existence and/or nature of any donor restrictions.

**NOTE B – CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS IN  
EXCESS OF INSURED LIMITS**

The Organization maintains its cash balances in financial institutions located in Covington, Louisiana that may at times exceed amounts covered by insurance provided by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization's cash balances were not in excess of the FDIC insurance at June 30, 2009. The Organization has not experienced any losses in such accounts and the Organization's management believes it is not exposed to any significant credit risk to cash.

**NORTHSHORE FAMILIES HELPING FAMILIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE C – ACCOUNTS RECEIVABLE**

The detail of accounts receivable at June 30, 2009, is as follows:

State of Louisiana Department of Health and Hospitals	
La Office of Public Health	\$ 3,465
La Developmental Disabilities Council	5,494
Florida Parishes Human Services Development	10,833
Families Helping Families of GNO (OMH)	375
Bayou Land Families Helping Families (ECSS)	1,981
Family to Family Health Information Center	521
Louisiana State Improvement Grants	1,468
Louisiana Citizens for Action Now	1,544
State of Louisiana Department of Education	10,788
	<hr/>
Total	\$ 36,469

As of June 30, 2009, amounts owed by the State of Louisiana Department of Health and Hospitals represent 25% of receivables, which is a significant concentration of credit risk. The Organization has not experienced losses in contract history and believes it is not exposed to significant risk to the receivables.

**NOTE D – PROGRAM GRANTS**

The Organization was established to provide informational support and educational services to area families who have family members who are handicapped or have developmental disabilities. A substantial portion of the Organization's support and revenue is derived from grants for the programs conducted. The various grants are approved on a year-to-year basis. Any unexpended grant funds or unauthorized expenditures must be refunded. The Organization received 75% of its revenue from grant programs administered by the State of Louisiana.

**NOTE E – THIRD PARTY REVENUES**

A substantial share of contract revenues for services to clients is derived under a state third-party reimbursement program. These revenues are based, in part, on cost reimbursement principles and are subject to adjustments by the respective third-party providers. The Organization's management believes retroactive adjustments, if any, would not be material to the financial position or results of operations of the Organization.

**NOTE F – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 30, 2009, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

## **SUPPLEMENTAL INFORMATION**

NORTSHORE FAMILIES HELPING FAMILIES, INC.  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2009

DESCRIPTION	GRANT NUMBER	GRANT PERIOD		TOTAL GRANT AWARD	ACCURED/ (DEFERRED) REVENUE		ASSISTANCE RECEIVED DURING YEAR GRANTS	ACCURED/ (DEFERRED) REVENUE JUNE 30, 2009	TOTAL REVENUE RECOGNIZED	TOTAL EXPENDITURES
		FROM	THROUGH		JUNE 30, 2008	JUNE 30, 2009				
Louisiana Office of Public Health- Children's Special Health Services	649934	7/1/2007	6/30/2008	\$ 40,000	\$ 6,040	\$ 6,040	\$ 6,040	\$ -	\$ -	\$ -
	665434	7/1/2008	6/30/2009	42,000	-	35,924	3,465	39,389	26,738	
Louisiana Developmental Disabilities Council	648684	7/1/2007	6/30/2008	52,604	4,687	4,687	-	-	-	-
	664292	7/1/2008	6/30/2009	55,555	-	50,930	4,625	55,555	57,531	
	670754	10/1/2008	9/30/2009	3,800	-	1,639	869	2,508	258	
	671398	10/1/2008	9/30/2009	3,180	-	3,180	-	3,180	3,180	
State of Louisiana Florida Parishes Human Services Authority	652910	7/1/2007	6/30/2008	65,000	5,417	5,417	-	-	-	-
	666514	7/1/2008	6/30/2009	65,000	-	54,167	10,833	65,000	66,393	
Louisiana Department of Education	655303	7/1/2007	6/30/2008	65,700	4,575	4,575	-	-	-	-
	668914	7/1/2008	6/30/2009	76,000	-	65,212	10,788	76,000	76,802	
Total				\$ 468,839	\$ 20,719	\$ 231,771	\$ 30,580	\$ 241,632	\$ 230,902	



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Northshore Families Helping Families, Inc.  
Covington, Louisiana

We have audited the financial statements of Northshore Families Helping Families, Inc. (a Louisiana corporation, not-for-profit) (the "Organization") as of and for the year ended June 30, 2009, and have issued our report thereon dated September 30, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered Northshore Families Helping Families, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Northshore Families Helping Families, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Northshore Families Helping Families, Inc.'s internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Organization's financial statements that is more than inconsequential will not be prevented or detected by the Organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Organization's internal control.

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance whether Northshore Families Helping Families, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors, others within the Organization, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under La Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Silva Gurtner & Abney, LLC*

September 30, 2009